

UPDATE

FUELING UTAH'S GROWTH AND PROSPERITY

PRESIDENT'S MESSAGE

The Elephant in the Room



Who We Are

Mission Statement

“

—
The Utah Petroleum Association (UPA) is a Utah-based, statewide petroleum trade association representing companies involved in all aspects of Utah’s oil and gas industry. We exist to serve our member companies and advance the responsible development of Utah’s natural resources and manufacture of fuels that drive Utah’s economy.

— ”

Executive Committee

- Cameron Cuch**, Uinta Wax (Chair)
- Kristina Brown**, Chevron (Vice Chair)
- Dan Brooks**, Crescent Energy (Vice Chair)
- James Lebeck**, SM Energy
- Josh Demorrett**, ConocoPhillips
- Jeremy Price**, HF Sinclair
- Kristen Lingley**, KODA Resources
- Drew McCallister**, Greylock
- Stephen Jeffs**, Silver Eagle Refining
- Brad Shafer**, Marathon Petroleum
- Mike Swanson**, Big West Oil
- Macey Wallace**, Ovintiv

UPA Administrative Staff & Office

- Rikki Hrenko-Browning**, President
- Jennette King**, Administrative Assistant
- Marise Textor**, Air Policy
- Jon Ekstrom**, Communications Lead
- Eden Newell**, Manager of Strategic Partnerships and Engagement

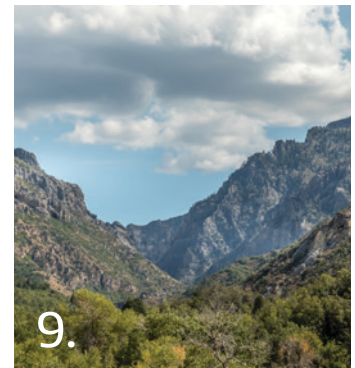


Summary

Pub. 5 2024

ISSUE 3

- 02. Who We Are
- 04. PRESIDENT'S MESSAGE
The Elephant in the Room
By Rikki Hrenko-Browning, President, UPA
- 05. Diving Into the Economic Benefits of Utah's Oil and Natural Gas Industry
By Rikki Hrenko-Browning, President, UPA
- 06. Tackling Utah's Air Quality
- 07. UPA Lunch & Learn
- 08. Welcome to Our Newest UPA Members!
- 09. Tours Hosted and UB Energy Summit
- 10. UPA Events Wrap-Up
- 11. **Save the Date:**
UPA 2025 Annual Meeting & Retreat
- 12. Summary of 2024 Rulemakings
- 14. Thank You, Chairman's Circle Members
- 15. Thank You, Platinum Members



©2024 Utah Petroleum Association (UPA) | The newsLINK Group LLC. All rights reserved. UPdate is published three times each year by The newsLINK Group LLC for the UPA and is the official publication for this association. The information contained in this publication is intended to provide general information for review, consideration and education. The contents do not constitute legal advice and should not be relied on as such. If you need legal advice or assistance, it is strongly recommended that you contact an attorney as to your circumstances. The statements and opinions expressed in this publication are those of the individual authors and do not necessarily represent the views of the UPA, its board of directors or the publisher. Likewise, the appearance of advertisements within this publication does not constitute an endorsement or recommendation of any product or service advertised. The UPdate is a collective work, and as such, some articles are submitted by authors who are independent of UPA. While UPdate encourages a first-print policy, in cases where this is not possible, every effort has been made to comply with any known reprint guidelines or restrictions. Content may not be reproduced or reprinted without prior written permission. For further information, please contact the publisher at (855) 747-4003.



PRESIDENT'S MESSAGE

The Elephant in the Room



T

The first time the parable of the blind men and an elephant appeared is dated to around 500 B.C.E. You've likely come across some version of this story before: A group of blind men come upon an animal they've never encountered, called an elephant, and seek to learn its shape and form.

The first man's hand lands on the trunk, and he says an elephant is thick like a snake. The second touches the ear and determines that an elephant is like a fan. The third happens upon the elephant's leg and asserts that an elephant must be like a tree trunk. The fourth finds the side and decides an elephant is like a wall, the fifth feels the tail and says an elephant is like a rope, and the sixth feels the tusk and states that an elephant is hard and smooth like a spear.

Depending on which version of this tale you hear, the story resolves into one of three conclusions. In the first, the men either think the others are lying and come to blows, while in the second, they decide to listen to each other and combine their knowledge to produce a more complete version of the elephant. In the third, a seeing man arrives and describes the elephant from various perspectives, which reveals that each man was technically right about his assessment, but that each individual assessment was incomplete.

The story is a lesson that what we see and experience is true, but often that individual truth is incomplete or limited.

What's this got to do with oil and natural gas? We represent every aspect of the oil and gas industry from discovery to finished product, but the public only sees a small fraction of the work we do. It's our job as an industry to ensure people have as clear a picture of this elephant as possible. Whether we talk about the thousands of products derived from oil and gas, the

positive impact our industry has on the economy, our tax coffers and national security, our technological advances that have shrunk our surface footprint, or how our industry actually aids in renewable energy deployment, there's a lot of elephant to describe that most people miss because they're focused on one aspect of us or another. Each experience might be different, and while it's undoubtedly an authentic experience, it's but a small part of the overall portfolio of activities and interactions we undertake throughout the year.

As the end of 2024 approaches, it's natural to reflect on the year's challenges and triumphs, which is what you'll find in this edition of UPdate. It's been an extraordinary year in terms of both activity and growth. We steadfastly represented the industry through a slew of rulemakings. We had a blast with you at our golf outings, fly-fishing experiences, food drives, shootouts and other networking events. We took a great number of lawmakers, regulators and other stakeholders on field tours, presented on panels, attended more meetings than we can realistically count, and showed up in as many places as we could. You'll hear about all of that and more in this issue.

If you're reading this, it's likely you came to at least one of our events, joined us on a field tour or attended a meeting with us. For that, we're incredibly grateful. You are the engine that makes this entire organization go. All of that activity is a result of our growth. Activity in the basin has grown, membership has grown, and with growth necessarily comes increased challenges and scrutiny. To address those challenges successfully means we need to increase our efforts and expand our team, which we've done this year. Growth is a good thing, but it must be handled attentively. As we look ahead,

more growth looms on the horizon, and it's reasonable to expect more changes both for our industry and our organization to accompany it. We welcome that.

I don't want to be premature in what I'm going to say next, but I have cautious optimism about the turning of the tide in terms of our cultural understanding of, and appreciation for, the work our industry does to make modern life convenient, reliable and fun. We are firm believers in a coming "energy expansion" as opposed to an "energy transition." People should have agency over the choices they make in how they heat their homes, cook their food or get to and from the places they need to go. Forcing any one type of energy over another only leads to frustration, confusion and irritation. If an energy evolution does occur, it must necessarily come from the bottom up, not from the top down. If the future does mean more energy, it seems only to make sense that more freedom of choice should follow. Abundance is far preferable to prescriptions and the risk of losing that abundance seems to be what's turning this tide.

And this is where I return to the parable about the blind men and the elephant. Understanding of not only the oil and gas development lifecycle, but of the multitudinous benefits of our products has historically been very limited. But with time and persistent effort, we increase that understanding, which renders a more complete picture. That picture seems to be coming into better focus for more and more of the populace.

Thank you for all of your efforts in 2024. Here's to a successful 2025!

Enjoy the issue. 🍷

Diving Into the Economic Benefits of Utah's Oil and Natural Gas Industry

By Rikki Hrenko-Browning, President, UPA



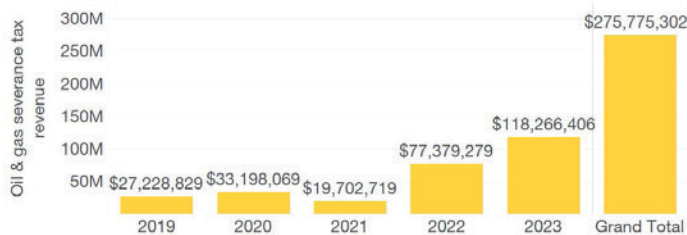
We often tout the multiple economic benefits the oil and natural gas industry has for Utah. There are many! But how do those benefits look when presented in black and white, right in front of you? To look into this, we've commissioned just such a study and compiled them into one easy document that you can access on our website.

To give you a snapshot of the findings, we've pulled out some top line data along with a couple of illustrative charts.

- The Uinta Basin is attracting more interest and activity from producers across the country, which is reflected in the increase of revenue numbers nearly across the board.
- Fees and taxes related to the oil and natural gas industry totaled \$5.5 billion from FY 2019 to FY 2023. That doesn't include indirect or induced economic benefits like wages and the like, but just direct payments to the state or municipalities.
- In 2023, total direct employees were 11,555 and total wages were \$1.4 billion, up from 10,333 employees and \$852 million in wages from 2019.
- From 2019 to 2023, the top counties for taxes paid were Uintah (\$1.4 billion), Salt Lake (\$997 million) and Duchesne (\$689 million).
- The revenue from oil and natural gas production funds multiple services we use each and every day such as education, roads and public safety to name three.

These numbers are all incredible on their own, but let's dig in a little deeper and check out some of this on a county-by-county level. We'll take a look at severance tax and sales tax. Where does your county stack up?

Oil and Gas Severance Tax, Annual and Total

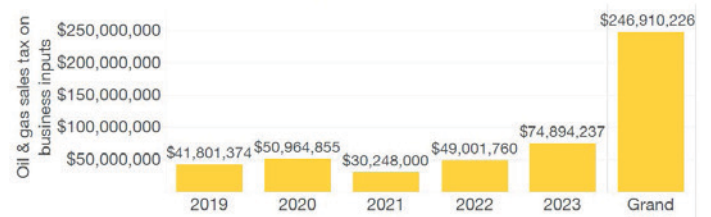


Oil and Gas Severance Tax

	2019	2020	2021	2022	2023	Grand Total
Uintah	\$14.2M	\$17.0M	\$9.8M	\$37.1M	\$58.8M	\$137.0M
Duchesne	\$7.6M	\$9.6M	\$6.2M	\$26.2M	\$37.1M	\$86.7M
Carbon	\$2.6M	\$3.0M	\$1.8M	\$7.2M	\$10.5M	\$25.0M
San Juan	\$1.5M	\$2.0M	\$1.1M	\$3.7M	\$6.5M	\$14.8M
Emery	\$0.4M	\$0.5M	\$0.3M	\$1.2M	\$1.7M	\$4.1M
Sevier	\$0.4M	\$0.4M	\$0.2M	\$0.7M	\$1.2M	\$2.9M
Grand	\$0.3M	\$0.3M	\$0.2M	\$0.6M	\$0.9M	\$2.2M
Summit	\$0.2M	\$0.2M	\$0.1M	\$0.3M	\$0.7M	\$1.4M
Sanpete	\$0.1M	\$0.1M	\$0.0M	\$0.2M	\$0.3M	\$0.6M
Daggett	\$0.1M	\$0.1M	\$0.0M	\$0.2M	\$0.3M	\$0.6M
Garfield	\$0.0M	\$0.0M	\$0.0M	\$0.1M	\$0.1M	\$0.3M



Sales Tax Paid on Oil & Gas Inputs, Annual and Total



	2019	2020	2021	2022	2023	Grand Total
Uintah	\$21.76M	\$26.15M	\$15.05M	\$23.51M	\$37.26M	\$123.73M
Duchesne	\$11.71M	\$14.72M	\$9.49M	\$16.60M	\$23.51M	\$76.03M
Carbon	\$3.94M	\$4.60M	\$2.70M	\$4.54M	\$6.68M	\$22.45M
San Juan	\$2.33M	\$3.05M	\$1.67M	\$2.34M	\$4.14M	\$13.53M
Emery	\$0.62M	\$0.75M	\$0.45M	\$0.76M	\$1.10M	\$3.69M
Sevier	\$0.56M	\$0.67M	\$0.30M	\$0.46M	\$0.75M	\$2.74M
Grand	\$0.40M	\$0.43M	\$0.24M	\$0.36M	\$0.59M	\$2.01M
Summit	\$0.24M	\$0.31M	\$0.18M	\$0.17M	\$0.44M	\$1.34M
Sanpete	\$0.10M	\$0.12M	\$0.07M	\$0.11M	\$0.17M	\$0.56M
Daggett	\$0.09M	\$0.09M	\$0.07M	\$0.11M	\$0.17M	\$0.52M
Garfield	\$0.05M	\$0.07M	\$0.04M	\$0.05M	\$0.09M	\$0.29M

We are truly blessed with not only the resources underneath us that make modern life possible (and enjoyable), but the human power to develop them, and the leadership that encourages us to. That's an important combination and we're grateful all the time for doing business in the state of Utah. You should be too, so be sure to share some of this information with your friends, neighbors and colleagues. 📌

To access the full document, scan the QR code.

<https://utahpetroleum.org/wp-content/uploads/2024/09/Oil-and-Gas-Sector-Impact-Utah2023.pdf>



Tackling Utah's Air Quality



Air quality is always a hot topic in Utah. We're not telling you anything you don't already know because it's one of those things that, on certain days, you can see and feel.

That's why we were proud to participate in a recent story in The Salt Lake Tribune that tackled the topic from a variety of different angles. The article "Utah's air quality has been harming your health for years, but tourism is now in the crossfire" by Megan Banta dives deep into the issue as she talks to several experts and stakeholders about the sources of our air quality issues, as well as what's being done to address those issues. From the article:

"Utah has two air pollution seasons, said Bryce Bird, who directs the Utah Department of Environmental Quality's air quality division.

"In winter, the Wasatch Front and Uintah Basin experience inversions, where cold air at the surface gets trapped under a layer of warmer air and makes pollutants build up to unhealthy levels.

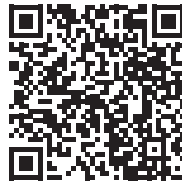
"That means emissions from vehicles and consumer products like single-stroke lawn equipment build up in the Salt Lake Valley, and oil and gas industry emissions build up in the Uintah Basin, especially when there is snow on the ground.

"Summer presents different challenges, as wildfire smoke filters into the state's valleys and basins, and hot, dry conditions make ground-level ozone a problem. Unlike the ozone layer in the upper atmosphere, ground-level ozone is created by chemical reactions when pollutants emitted by cars, power plants, refineries and other sources react in sunlight."

Our industry is comprised of people who live, work and play here, so it's only natural that we would all have an interest in remedying this issue. That's why our refineries have made multimillion-dollar investments resulting in double digit reductions in air emissions within their fencelines and delivered on their commitment to produce Tier 3 fuels that drive down the amount of pollutants emitted by our vehicles. That's also why we've worked with the team at

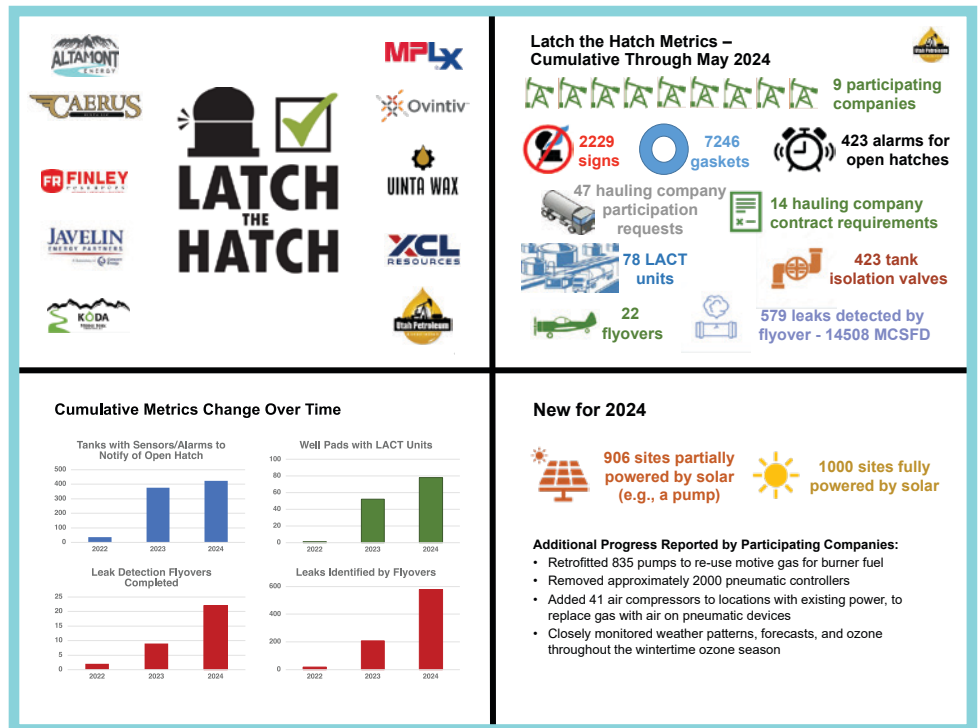
Bingham Research Center for a little more than three years to help with air quality issues using an alert system for ozone levels that includes forecasting.

As a result of that collaboration, we've also instituted our Latch the Hatch program that uses signage, contractor education and technology improvements to reduce emissions by making sure thief hatches — closable openings at the top of production tanks — are properly sealed. There's a lot more here, so scan the QR code to read the entire article.



<https://www.sltrib.com/news/environment/2024/09/25/utah-air-quality-how-haze-ozone/>

For more information about Latch the Hatch, check out the graphic below.



The program started as an effort to always ensure the closure of thief hatches on tanks, as any open hatches can be a source of emissions. It rapidly expanded to include additional actions such as:

- Conducting flyovers to detect emissions so that operators can fix leaks.
- Modifying or replacing equipment operated by natural gas to eliminate emissions.
- Installing solar-powered equipment to eliminate emissions from engines and compressed gas.
- Upgrading gaskets on tank hatches to reduce deterioration and installing alarms to indicate when a hatch has been left open.

This demonstrates that we can indeed have the energy we need and the environment we want. It takes dedication, innovation and collaboration, but we're walking the walk every day. 💧

UPA Lunch & Learn

Recap



On the last Tuesday of each month, UPA hosts a Lunch & Learn on YouTube Live featuring a topic of interest to our members. These events offer a rare opportunity to hear subject matter experts present on their field of expertise and allow our attendees to ask questions and get immediate answers, benefiting from this expertise. These events are open to the public, and the material presented in some of our sessions has been covered by the media.

This year, we hosted eight Lunch & Learns, and we covered subjects like the 2024 Utah Legislative Session, upstream and downstream issues, the end of “Chevron Deference” and what that means for how our industry should expect to interact with federal regulators going forward, and how companies can attract and retain a diverse and changing workforce, among others. The diversity of subject matter is purposeful because, as you well know, the more you learn about the oil and gas industry, the more complex it gets. We view

ourselves as a resource for you, and we want to ensure that the programming we bring to you is relevant, vital, insightful and fun.

This year’s series ran from March through October, and each one of them is available to be viewed on our website under the Lunch & Learns tab. If there are any topics you’d like to see covered in 2025, drop us a line! We are always interested in feedback. We would love to collaborate with you on the programming you want to see most. Sponsorship opportunities are also available, which means increased visibility on our social media channels and a chance to say a few words about your company at the beginning of the program. You can find all of our programs at our Lunch & Learn tab on our website at utahpetroleum.org/lunch-learns.

Thank you for a great year of topics in 2024. We look forward to seeing you on YouTube Live in 2025! 🍷

WHY DRIVE?
FLY!

Become a partner with
Golden Eagle Aviators today!

Golden Eagle Aviators is not a club.
And it's not a time-share model.
It's an equity-partnership corporation.
Partner-run, Partner-powered!



TAKE ADVANTAGE OF AFFORDABLE
AIRCRAFT OWNERSHIP.

Golden Eagle Aviators Inc.
ppetersen@geav.pro
(801) 230-2160

GEAV.PRO

Welcome to Our Newest UPA Members!



We are thrilled to welcome the following companies to the Utah Petroleum Association family in 2024. These new members represent a wide range of industries, bringing valuable expertise and innovation to our community.

Chairman's Circle

SM Energy: Texas/Utah — *Upstream*

KODA Resources (Upgraded): Colorado/Utah — *Upstream*

Platinum

Quantum Capital Group — *Financial Services*

Gold

Urban Oil & Gas: Utah — *Upstream*

Savage Company (Upgraded): Utah — *Transportation & Logistics*

Silver

Beatty & Wozniak: Colorado — *Law Firm*

Ritchie Brothers Auctioneers: Utah — *Equipment Supplier*

RRIG Energy LLC: Texas/Utah — *Upstream*

Anschutz Exploration Company: Colorado/Utah — *Upstream*

Dorsey and Whitney (Upgraded): Utah — *Law Firm*

Greenberg Traurig: Colorado/Utah — *Law Firm*

Enterprise Mobility: Utah — *Transportation*

Bronze

Loenbro Industrial Services: Utah — *Refinery Services*

Emerson: Utah — *Engineering Services*

Barco Rent-a-Truck: Utah — *Trucking Services*

Valkor: Utah — *Engineering and Project Management*

Encompass: Utah — *Land Survey Services*

Sawtooth Caverns: Utah — *Petroleum Storage*

Capitol Pump and Equipment: Utah — *Equipment Provider*

Folsom Industrial: Utah — *Product Solutions Provider*

Ohmstede Industrial: Texas — *Maintenance & Turnaround Services*

Folsom Industrial: Utah — *Equipment Supplier*

Hidatco LLC: Utah — *Transportation*

Elk Petroleum: Colorado/Utah — *Upstream*

Brenntag: Utah — *Chemicals Distribution*

Edwards Energy LLC: Utah/Louisiana — *Energy Consulting*

Nalco Water: Utah — *Water Treatment/Downstream*

Master Brands: Utah — *PPE Manufacturer/Supplier*

CAP Logistics: Utah — *Transportation*

Energy Transfer/Price River Terminal: Texas/Utah — *Transportation*

Kathairos Solutions US Inc.: Colorado — *Environmental Services*

We look forward to working together and achieving great things as part of the UPA community. Welcome aboard!

UPA's Membership Growth in 2024: A Strong Year of Expansion

This year, the Utah Petroleum Association (UPA) has experienced remarkable membership growth, reflecting the strength of our industry and the value of our organization. We are proud to welcome a diverse range of companies from various sectors, all contributing to Utah's thriving oil and gas industry. From upstream exploration companies to service providers, equipment suppliers and transportation experts, our expanding membership base is helping to strengthen our advocacy, collaboration and innovation efforts.

Our newest members bring expertise from across the state and beyond, representing key segments of the energy supply chain. In addition to growth in our membership base, we are pleased to see members deepening their engagement by upgrading to higher membership levels, demonstrating their strong commitment to UPA and the industry.

This growth solidifies UPA's role as a leading voice for Utah's oil and natural gas industry. We remain dedicated to supporting our members through valuable networking opportunities, advocacy efforts and industry resources. The increase in participation is

a clear sign that UPA continues to provide relevant, impactful value to both existing and new members.

With the addition of new members and upgrades from existing ones, UPA is stronger than ever. We are excited about the future and look forward to working together with all our members to promote and protect the interests of Utah's energy sector. Here's to continued growth, collaboration and success! 💧

Tours Hosted and UB Energy Summit



The Utah Petroleum Association has been busy in the previous months in the field. In June, Representative Chew hosted a legislative tour where we joined the Utah Division of Oil, Gas & Mining and the Utah Mining Association to focus on mineral extraction and agriculture. With the growth in frack sand mining in the basin, we were able to educate legislators on how oil and gas is actually mining as well (that elephant just keeps getting bigger)!

In-basin frack sand significantly reduces well costs, provides local jobs and tax revenue and helps reduce truck traffic between the basin and the Carbon County rail terminals served by HW 191 (precious capacity needed to serve our crude export operations).

As another proof point to our repeated assertion that we are an industry of problem-solvers and flashing back to a headline from a previous edition of this publication, we once again invoke the work of noted poet Vanilla Ice, “If there was a problem, yo, I’ll solve it.”

In August, we hosted a tour of the entire Public Lands Policy Coordinating Office (PLPCO) team, whose mission is “to coordinate, promote and implement Utah’s public land priorities.” PLPCO is a key partner for our industry and many others in the state, given their role in ensuring

federal lands remain open and Bureau of Land Management acreage continues to be managed according to their statutory mandate of multiple use — and do not fall prey to the political whims of an administration.

In a Salt Lake Tribune article, BLM Director Tracy Stone-Manning said the agency’s mission is to manage the lands in accordance with what the public wants and that polls consistently show people want to protect their public lands. This simply isn’t true. The Federal Land Policy and Management Act (FLPMA) of 1976 requires “multiple use” on public lands. This means that every American has a place on public lands — whether a hiker, camper, cattle rancher or energy producer. Our nation’s wide-open spaces are available to be used in numerous ways. It is not the BLM’s job to pick winners and losers here. Their job is to ensure our public lands are available for all, for the greater good.

Many thanks to Ovintiv, Crusoe and WEM for hosting. PLPCO’s bench of attorneys is critical in protecting the state’s ability to continue to grow and thrive, and we were honored to give them an up-close look at how the industry is evolving and innovating.

In September, we then partnered with the Uintah Basin Energy Summit and Sen. Ron Winterton to host a tour for legislators, regulators from DOGM, BOGM and DEQ,

Utah’s federal delegation offices, and other conference VIPs to do a show-and-tell of how our industry works from top to bottom. We toured a drill rig and talked about advances in drilling techniques that result in massive production gains paired with reduced surface disturbance. We toured the latest and greatest in multi-pad surface facilities with controls to reduce emissions and again improve efficiencies. We visited a water recycling facility to drive home how we are now making large reductions in our freshwater use by collecting and re-using produced water, and toured Crusoe’s Digital Flare Mitigation site where stranded gas is converted into computing power. A huge thanks goes out to the Ovintiv, XCL, WEM, Crusoe; our partners at UB Tech, Duchesne and Uintah counties; and DRN for helping us with this sold-out undertaking.

Special recognition goes to Travis Campbell and the Uintah County team, who put on another successful Uintah Basin Energy Summit. Over 550 attendees joined this year’s summit to hear from over 40 presenters, visit with industry partners and make lasting connections with supporters of Utah’s Energy Industry. Utah’s oil and gas industry has positive impacts outside the Uintah Basin, and this event is just one way to help promote and support the work the industry is doing to make our modern way of life possible. 💧

UPA Events

Wrap-Up

UPA Annual Golf Tournament in Midway, Utah

What an incredible day at the Utah Petroleum Association's Annual Golf Tournament in beautiful Midway, Utah! It was a phenomenal turnout with over 60 sponsors and 500 golfers from our industry. Attendees enjoyed a day full of great weather, excellent golf and an atmosphere of camaraderie as they hit the greens.

The event wasn't just about the game — it was a chance for our industry peers to reconnect, network and enjoy some well-deserved time outdoors. Delicious food was served throughout the day, adding to the perfect balance of business and fun.

We want to thank all of our sponsors, participants and supporters for making this event such a success. Your enthusiasm and energy were the driving force behind an unforgettable day. We can't wait to see you all again next year for another fantastic round!



UPA/UMA Fly Fishing Outing

This year's UPA Fly Fishing Outing, held in collaboration with the Utah Mining Association (UMA), was a resounding success! Industry leaders, professionals and members gathered in the stunning Heber Valley to enjoy a day of fly-fishing, networking and camaraderie in the heart of Utah's natural beauty. The event provided a unique opportunity for participants to engage in informal conversations while strengthening relationships across sectors.

With expert guides and perfect weather, the event offered both seasoned anglers and beginners an exciting experience. UPA and UMA members came together to foster stronger ties within Utah's oil, gas and mining industries, making it a memorable day for all involved.



2024 Shootout Hunger Food Drive: Making a Meaningful Impact

UPA is proud to announce this year's Shootout Hunger Food Drive generated 26,131 lbs. of donated food that will fill the pantries in Duchesne, Roosevelt, Manila and Vernal. Companies that participated in the food drive include Finley Resources/Uinta Wax, Javelin Energy Partners, Ovintiv, Badlands Tank Lines and XCL Resources. We also partnered with Western AgCredit and CO Bank, helping them deliver a \$3,300 financial donation to the food pantry.

The Shootout Hunger Food Drive is also a competition between companies. UPA worked with the food pantry to determine the highest-need items and a scoring system to ensure we are truly meeting the community's needs with bonus points for things like diapers, laundry detergent and toilet paper. The company that donates the most pounds of food per employee, with a scoring adjustment for items most needed, earns bragging rights for the year. Here are this year's top three companies:

1. Javelin Energy: 280 lbs. adjusted per employee
2. XCL Resources: 172 lbs. adjusted per employee
3. Finley Resources/Uinta Wax: 56 lbs. adjusted per employee



2024 Basin Shootout Competition

The 2024 Basin Shootout Competition, held at the Pleasant Valley Hunting Preserve in Myton, Utah, brought UPA members together for a day of friendly competition, camaraderie and support for local communities. This annual event not only fosters teamwork and networking but also benefits a vital cause: supporting the community food pantry in the Uinta Basin. Participants showcased their shooting skills while contributing to a shared goal, reinforcing the event's significance in blending industry engagement with charitable action.



2024 Uintah Basin Energy Summit

The 2024 Uintah Basin Energy Summit in Vernal, Utah, was a remarkable gathering of industry leaders, policymakers and stakeholders focused on driving innovation and growth in Utah's energy sector. This year's summit highlighted key challenges and opportunities within the industry, with expert discussions on sustainability, regulatory trends and technological advancements. Attendees engaged in impactful networking, fostering collaboration and exploring future initiatives that will shape the future of energy production in the Uintah Basin and beyond. Also, UPA was proud to present the final check donation to our charity of choice for the year, Thompson House of Hope. 🟡

UPA 2025 ANNUAL MEETING & Retreat

March 17th and 18th *at the beautiful Sundance Mountain Resort*
8841 N. Alpine Loop Road -Sundance, Utah

Monday 17th:
Free time - Ski or Spa
Hosted Lunch, Afternoon Panels & Evening Reception

Tuesday 18th:
Full Day Meeting with Keynote Speakers

MAKE YOUR ACCOMODATIONS EARLY! Single, double and multiroom suites are available but limited. Bring family or friends and enjoy the beautiful outdoors in the Utah snow. Please see the room link listed on our website at UtahPetroleum.org.

SAVE the DATE

Vendor and sponsorship opportunities are available - Everyone welcome, members & nonmembers

Summary of 2024 Rulemakings



In addition to curating engaging content and events for our members and full-time legislative representation, it's also been a very busy year in the regulatory arena. While this isn't a comprehensive list of all the rulemakings we've engaged in this year, we wanted to highlight a few of the Utah-specific rules that we have been heavily engaged in, ensuring that the state remains balanced and business friendly. UPA also engages in federal rules (most often with BLM and EPA) and partners with other regional and national trades. We hope this gives you (and prospective members!) a more holistic understanding of who we are, what we do and how we are laser-focused on policy and regulation to keep Utah, well, Utah!

Duchesne County

- **Ordinance 24-409 Oil and Gas Zoning Amendments:** UPA has been discussing the need for operators to support the county on road repair and maintenance resulting from industry wear and tear for at least two years, and this spring, we entered into more focused negotiations with the county on an ordinance that would create a Conditional Use Permit. Notice provisions to impacted owners and other conditions (many of which were already included in the county Master Transportation Plan) for oil and gas drilling and production sites will be required prior to new sites being permitted by the county. The county also intends to establish a Transportation Mitigation Fee, and UPA has been very actively engaged in working with the county and their consultants to advocate that the fee is used only for industry roads and at a rate that supports industry-related repair and maintenance needs. As of the time of writing, negotiations on the Transportation Mitigation Fee are ongoing.
- **Ordinance 24-407 Flare Gas Power Generation:** Duchesne County passed this ordinance setting out site location and layout requirements as well as ambient noise and vibration limits and mitigation requirements for flare gas power generation facilities. UPA engaged closely with producers and the county to address concerns of neighbors near these facilities, while ensuring restrictions were achievable for industry.
- **Ordinance 24-414 Roosevelt Airport Overlay Zone:** Duchesne County passed this ordinance (and we expect the Roosevelt and Vernal airports to take up this issue soon) in order to comply with legislation passed in the 2024 session affecting all airports in the state. Six airport protection zones were enacted, some of which directly conflicted with existing oil and gas facilities and/or interests, and a list of restricted activities was compiled for each overlay zone. UPA supported producers working with the county to ensure that as long as the activities either do not exceed the FAA Notice Criteria or the FAA has issued a Determination of No Hazard to Air Navigation, oil and gas activities could continue in these overlay areas.

Utah Division of Oil Gas and Mining

- **Bonding Rule:** Currently being drafted by the Division and has not yet started the formal rulemaking process (as of the time of writing). The rule will make multiple changes to

definitions, how a change of operator is addressed, bond releases, and the overall bonding structure and fees. The rule sets out a new framework for calculating an "at-risk well ratio" based on an operator's total amount of production, the number of active wells in the state and the number of "at-risk wells" and then applies a tiered bonding schedule based on the number of state wells and number and depth of "at-risk" wells. If it sounds complicated, well, it is! But the hope by the division and the industry is that it more accurately evaluates an individual operator's risk and, therefore, the amount of financial assurance they should provide to the state while also allowing for flexibility by "bucketing" wells in groups of 10 to limit the amount of bonding adjustments industry and the division need to administer.

- **Water Recycling:** R649-9 is anticipated to be proposed to the board for the start of formal rulemaking in December. While oil and gas wastes are now the jurisdiction of WMRC (see more below), water recycling facilities are regulated by DOGM following the passage of HB 295 (Lund, 2024). This bill was UPA's priority during the 2024 session, and we remained closely engaged and supportive of these rules, which define produced water and related facilities and include extensive criteria for how these facilities must be sited, designed, constructed and operated.
- **DOGM Class VI Carbon Sequestration Rule:** The division is currently drafting this rule and has undertaken a robust stakeholder engagement process. Following legislation directing the division to seek primacy and setting out basic scaffolding in Utah's 2022 session, DOGM is preparing a rule and primacy application to EPA for geologic carbon storage. UPA is engaging in this rulemaking to provide a third-party legal review focused on potential implications on minerals and oil and gas operations.
- **The Board of Oil, Gas and Mining (BOGM)** has started drafting rules regarding how notices of opportunity to participate (related to forced pooling) shall be handled. This rule is still in the drafting phase, and UPA has provided feedback focused on ensuring landowners receive appropriate information but that private negotiation and contract terms between the operator and the mineral owner remain private and are not regulated by the Board.

Utah Department of Air Quality

- **Low Vapor Pressure Gasoline:** Rule apparently not going forward.

- » If written and adopted, this rule would have required early sales of low RVP gasoline, probably 7.4 psi, in the NWF.
 - » The Clean Air Act (CAA) requires reformulated gas (RFG) at 7.4 psi RVP one year after an ozone nonattainment area bumps up to severe nonattainment. We project RFG to be required for the summer gasoline season in 2029. If UDAQ pursued their consideration of adopting a low RVP requirement now, then 7.4 psi RVP would be required years earlier.
 - » UPA prepared a white paper to educate UDAQ on the ramifications and difficulties of converting to low RVP gasoline on an earlier schedule.
- **Boiler Rule changes (NOx Emission Controls for Natural Gas-Fired Boilers Greater Than 5.0 MMBtu):** Final rule.
 - » The boiler rule regulates boilers fired by natural gas in the five counties of the NWF and SWF.
 - » UPA engaged heavily in this rule in 2022 and 2023 when it was finalized and again in 2024 when UDAQ made some changes.
 - » UPA advocacy and written comments resulted in the removal of some problematic definitions and raising the CO limit to match the limit elsewhere outside of Utah.
 - » Although the rule does not apply to the refineries because they use process gas rather than natural gas, UDAQ is contemplating adopting parts of this rule in changes for refinery NOx controls in the Serious PM2.5 SIP.
 - **Serious PM2.5 State Implementation Plan (SIP):** Proposed rule on hold by EPA until UDAQ resolves some EPA concerns with refinery emission limits.
 - » The Salt Lake City PM2.5 nonattainment area (SLC) measured attainment several years ago, and EPA published a final DAAD in late 2020.
 - » EPA also published a proposed redesignation to attainment in late 2020. Based on comments received, EPA expressed concerns about refinery limits for some emissions.
 - » UPA and its member company refineries have engaged in several discussions with UDAQ to understand EPA concerns, have provided extensive additional data, and are continuing the dialogue toward updating the Serious PM2.5 SIP.
 - **Moderate Ozone SIP for the NWF:** Revision of the Final SIP to address the required 15% reduction of Volatile Organic Compounds (VOC).
 - » The CAA requires that a Moderate ozone nonattainment area reduce VOC emissions by 15%. This must only be done once, on the first Moderate ozone SIP for an area.
 - » The NWF does not have a prior approved 15% reduction, but the area did reduce VOC by more than 15% for the Moderate PM2.5 SIP.
 - » UDAQ proposed a change to the moderate SIP already submitted to EPA in order to rely on the VOC reductions under the Moderate PM2.5 SIP. If approved by EPA, this will allow UDAQ to substitute NOx reductions in place of some of the required VOC reductions to meet the CAA requirement for emissions reductions at Moderate.
 - » UPA submitted comments to UDAQ in support of the SIP change with suggestions to strengthen it. The SIP change will be considered by the Air Quality Board for approval to submit to EPA in November.
 - **Serious Ozone SIP for the NWF:** Preparing to draft rule changes.
 - » UPA has engaged in dialogue with UDAQ to understand their path forward and to provide suggestions. We will remain engaged through SIP development over the next year.
 - **UDAQ Rulemaking to Adopt EPA Emissions Guidelines OOOOc:** Preparing to draft rules.
 - » UPA is engaging with UDAQ to discuss areas of potential interest or concern in the rulemaking. After stakeholder meetings in October and November, UPA will submit written comments before the end of the year.
 - **Lawn & Garden Rule:** Proposed rule never put out for comment.
 - » The Lawn & Garden rule could fulfill a significant portion of the required 15% VOC reduction for the Moderate ozone SIP for the NWF at a cost-effective dollar per ton of emissions reduced.
 - » Some of the state's leadership have expressed concerns about the rule, and UDAQ has not finalized the proposal at the Air Quality Board.
 - » UPA has engaged in discussions to help education as to the need for this rule and the relatively low cost on a dollar per ton basis compared to other possible ways to get the same reductions. UDAQ has also kept this rule in their list of coming ozone serious SIP rules.

Others

- **Extension of the Attainment Date and Determination of Attainment by the Attainment Date of the Uinta Basin Marginal Nonattainment Area Under the 2015 Ozone National Ambient Air Quality Standards:** Proposed rule comment period closed.
 - » Although not a UDAQ rule, this rulemaking would only apply for the Uinta Basin ozone nonattainment area (UB).
 - » This rulemaking would approve the second extension to the Marginal attainment date and thus allow EPA to complete a determination of attainment by attainment date (DAAD).
 - » The effect of a final DAAD would be to hold the UB at Marginal nonattainment and allow UDAQ to pursue a maintenance plan and redesignation to attainment.
 - » UPA submitted written comments to EPA in support of the DAAD and is awaiting a final decision from EPA.
- **DEQ Waste Management and Radiation Control Division (WMRC)** in October finalized a rule regulating the disposal of all oil and gas wastes. In 2018 the EPA notified the state that it had to change its definition of Solid Waste (which ironically includes predominately liquid wastes), and this triggered the need for oil and gas industry wastes to be regulated by DEQ rather than DOGM based on the state's primacy status. This rule has taken several years to materialize and includes a number of changes, the most contentious was whether waste disposal cells for oil and gas wastes were required to have liners. UPA and other industry members advocated that liners should be required unless proven unnecessary on a site-specific basis, but the rule was ultimately approved without requiring liners. Going forward, WMRC will require land farms to convert to landfills and will be the regulator in charge of oil and gas waste disposal. 💧



Thank You, Chairman's Circle Members



Big West Oil is committed to be a top-tier refiner, marketer and employer in the Rocky Mountain Region, focused on building lasting value through operational excellence, continuous improvement and pursuit of internal and external growth opportunities.



Uinta Wax explores and produces oil and natural gas, including Utah Industrial Wax and other related products — an experienced leadership team focusing on solid horizontal production results. Uinta Wax serves customers throughout the United States.



Chevron's success is driven by our people and their commitment to getting the results the right way — by operating responsibly, executing with excellence, applying innovative technologies and capturing new opportunities for profitable growth.



ConocoPhillips is the world's largest independent E&P company based on proved reserves and production of liquids and natural gas.



Ovintiv is a leading North American resource play company focused on oil and natural gas production, growing its strong multi-basin portfolio and increasing shareholder value and profitability. By partnering with employees, community organizations and local business, Ovintiv contributes to the strength and sustainability of the communities where it operates.



Greylock's leadership is an experienced team with decades in the energy industry and possessing a wealth of knowledge and unmatched expertise relating to operations, particularly in shale development.



HF Sinclair, headquartered in Dallas, Texas, is an independent petroleum refiner and marketer that produces high-value light products such as gasoline, diesel fuel, jet fuel and other specialty products. HF Sinclair produces base oils and other specialized lubricants in the U.S., Canada and the Netherlands, and exports products to more than 80 countries.



Marathon Petroleum Company is in the business of creating value for our shareholders through the quality products and services we provide for our customers. As a result, we strive to always act responsibly with those who work for us, with those business partners who work with us, and in every community where we operate.



KODA is the largest natural gas producer in Utah. KODA is a deep technical team focused on safety, environmental stewardship, execution and economic performance.



Silver Eagle endeavors to be a good corporate neighbor by assisting in positive ways with the Woods Cross and South Davis communities. Silver Eagle endeavors to work collaboratively with municipality governments, agencies and private groups to improve the quality of life within the immediate surroundings of our Woods Cross Refinery.



Crescent Energy is an independent energy company primarily engaged in exploring, developing and producing oil, natural gas and natural gas liquids in the Eagle Ford, Uinta and Barnett shales. Our mission is to create a sustainable, transparent and returns-driven company.



SM Energy is an independent oil and gas exploration and production company with a long-standing, principled approach to doing business ethically and sustainably. Our purpose is to make people's lives better by responsibly producing energy supplies, contributing to domestic energy security and prosperity, and having a positive impact in the communities where we live and work.

Thank You, Platinum Members



Finley Resources' primary focus is the production of Utah Industrial Wax, which will play a critical role in America's energy transition. Our organizational structure is lean and efficient, empowering decision-making throughout all levels of the company. Our success is supported by our innovative field staff, who have a proven track record of operating safely and efficiently while protecting our environment for the future.



Scout Energy Partners is a private company with over 1,000 employees in eight different states with over 100,000 BOPED. We recently became an operator in Utah with roughly 6,000 BOPED in the greater monument Butte Unit.



6905 S. 1300 E., #288
Cottonwood Heights, UT 84047

PRSR STD
U.S. POSTAGE
PAID
SALT LAKE CITY, UT
PERMIT NO. 508

This magazine is designed and published by The newsLINK Group LLC | (855) 747-4003

OUTCOME-FOCUSED POWER SOLUTIONS

Wheeler Power Systems provides a wide range of reliable power products to meet the demands of your application. From design to installation to maintenance, **we deliver tailored power solutions specific for you.**

wheelerpowersystems.com | 801-978-1581

Wheeler
Power Systems

